Michael D. Coats
Vice President, Chevron Mining Inc.

September 28, 2018

Via E-mail/Facsimile
Sarah Holcomb, Program Manager
Erin Trujillo, Environmental Scientist-Specialist
New Mexico Environment Department
Surface Water Quality Bureau (N2050) Point Source Regulation Section
P.O. Box 5469
Santa Fe, New Mexico 87502

Re: Chevron Mining, Inc., Questa Mine; Multi-Sector General Permit (MSGP); SIC 1061; NPDES Compliance, Evaluation Inspection; NMR053300; July 24 through July 26, 2018

Dear Ms. Holcomb and Ms Trujillo:

This letter is to confirm Chevron Mining Inc. (CMI) received an electronic copy of the August 31, 2018 report and hereby provides responses to the items identified in the report. As we have discussed with the New Mexico Environment Department (NMED) on several occasions, CMI is interested in maintaining an open, transparent and collaborative relationship with NMED, U.S. Environmental Protection Agency (USEPA) and other state agencies such as New Mexico Mining and Minerals Division (MMD) and Office of State Engineer (OSE). As was observed and discussed during the inspection, the Questa Mine Site (Site) is undergoing numerous changes as the result of state led closure activities and remediation activities under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) under the oversight of USEPA Region 6. In an effort to maintain an open relationship with the regulatory agencies CMI has met with various agencies frequently to provide updates on the changes that have occurred at the site. An example is the conversations CMI and its representatives had with USEPA and NMED to discuss the new Enhanced 005 Catchment and modifications to the discharge structure design. During these conversations future discharges from the outfall were discussed and it was agreed that the project did not trigger the need for a modification to the individual permit.

As you are aware, the MSGP is a living document and as noted in the inspection report, hand-written edits have been made in the document since 2015. In addition, CMI maintains a GIS geodatabase management system that is routinely updated based on actual changes, maintenance activities, and anticipated changes as they relate to stormwater engineering controls and associated activities. As a result, up-to-date GIS stormwater exhibits can be produced and referenced at any time for the Site.

With the closure of the mine in June 2014, closure activities have been implemented under MMD and NMED oversight that have changed the landscape of the Site, most notably in the former mill area (Unit 1) where several items were identified. Ongoing CERCLA remedial actions are also located in Unit 1, an example is construction of the Lower Sulphur Gulch groundwater extraction system that relies on the

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West Gate Laydown area, which is an area where items were noted. Many of the remedial actions under CERCLA are designed to control, manage, and treat water with the goal of improving overall water quality.

Several remedial and closure activities have occurred since the Stormwater Pollution Prevention Plan (SWPPP) was last updated in October 2015 and continue today. Based on internal evaluations earlier this year, CMI determined that because the site has undergone these recent changes it was time to update the SWPPP. The decision to update the SWPPP was also driven by the fact that it is being used to address similar obligations under CMI's NMED permit, DP 1539, and CERCLA. In 2017, to avoid duplicating efforts and creating multiple documents with similar information under different regulatory programs, CMI, NMED Groundwater Quality Bureau (NMED-GWQB) and EPA (under CERCLA) agreed that the SWPPP would be used to satisfy the requirements under DP 1539, condition 107A and the Partial Consent Decree Overall Site Plan for a Comprehensive Water Management Plan and Water Control and Management Plan, respectively.

In an effort to make the SWPPP more comprehensive and address the recent changes at the site, CMI has started the revision process. Updates to the SWPPP were discussed at the August 15, 2018 CERCLA Remedial Design/Remedial Action (RD/RA) meeting with representatives from USEPA, NMED-GWQB, MMD, and CMI. At the meeting it was agreed that existing operations and maintenance plans for water management features would be incorporated into the SWPPP and that the SWPPP would also include the Spill Prevention, Control, and Countermeasures Plan. The timing of your inspection and inspection report will allow CMI to incorporate the findings into the revised SWPPP.

As mentioned, CMI has initiated revisions to the SWPPP. Most of the items identified in the inspection report pertained to features on site maps that do not reflect current conditions. The maps and SWPPP narrative are being updated to reflect current conditions, noting stormwater flow directions, impervious surfaces, structural controls, stormwater monitoring points and inlets and outfalls, summary of stormwater discharge data, and non-stormwater discharges. Other elements relative to inspection reporting and training that were noted in the inspection report will be addressed through modifications to operational and/or administrative procedures, as appropriate. The updated SWPPP is anticipated to be completed in December 2018.

In response to "Specific Notes on the SWPPP review", CMI has reviewed the comments and provides the following responses. If needed CMI is available to discuss these items in more detail as the SWPPP is being revised to ensure items are adequately addressed.

Unit 1 – **The West Gate Laydown area in Unit 1 was not covered on the day of this inspection by another NPDES permit based on discussions with Permittee Representatives.**
***Response*:**
The West Gate Laydown area is currently being used to support the Lower Sulphur Gulch Project under CERCLA and was included in the approved work plan for the project. Under CERCLA, an individual construction permit is not required; however, inspections and mitigations related to stormwater are still required. The location documented in the inspection has been mitigated as of 9/18/18.

Collected water existed in a remaining Mill Area concrete structure in the West Gate Laydown area.
***Response*:**
The "concrete structure" referenced in the report, is a permitted stormwater catchment under the NMED Ground Water Bureau Permit DP1539 (i.e. "Concrete Mill Yard Catchment" Table 1. Water Management System Components CMI Questa Mine Site). As a result, this unit is inspected monthly and maintained for optimum catchment capacity. During the inspection this unit met that definition.

Water had ponded in a low area near the entrance to NM 38.
Response:
The "low area" is a small retention basin that is intended to retain any run-off that is not captured by the upgradient catchments (i.e. Concrete Mill Yard Catchment and Enhanced 005 Catchment Basin). The area is graded from west to east, with the east end approximately 8 feet lower than the west, hence the ponding in the east end during the inspection. Additionally, situated to the south, the unit is contained by a site maintenance berm that separates the site from NM 38.

Inspection of the West Gate Laydown area is not documented on Routine Facility Inspection reports.
Response:
This area is defined as a "general areas", page 3 of the inspection form, "Area/Activity" #1, "Material loading/unloading and storage areas" and has been inspected, see below.

Areas of Industrial Materials or Activities Exposed to Stormwater
Below are some general areas that should be assessed during routine inspections. Customize this list as needed for the specific types of industrial materials or activities at your facility that are potential pollutant sources. Identify if maintenance or corrective action is needed. If maintenance is needed, fill out section B of this template. If corrective action is needed, fill out section G of this template.

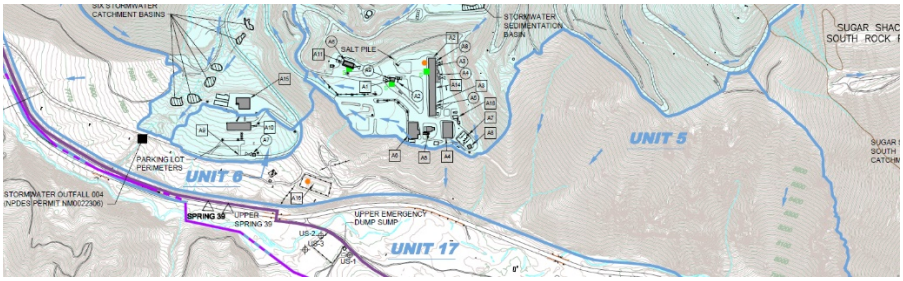
	Area/Activity	Inspected?	Controls Adequate (appropriate, effective and operating)?	Maintenance or Corrective Action Needed and Notes
1	Material loading/unloading and storage areas	☒Yes ☐No ☐ N/A	☒Yes ☐No	no action needed

A historic landfill is shown on the SWPPP Mine Site Map near the northeast mine property boundary in Unit 3, but not discussed in the SWPPP.
Response:
The SWPPP identifies the landfill on page 28, "Soil Stabilization Practices", "Spring Gulch Rock Pile", stating that it is a "closed drainage basin" and any stormwater that accumulates in this area is allowed to decant. The landfill has always been located within the boundary of the Site.

Unnamed rock piles are shown at the southern mine property boundary in Unit 5 and Unit 4 on the SWPPP Mine Site Map, but do not appear to be specifically discussed in the SWPPP.
Response:
The SWPPP identifies and defines Unit 4 on page 8 under Section 1.6 "Site Map". The Sugar Shack South Rock Piles (Unit 4) are again discussed in Section 2: "Potential Pollutant Sources" and Section 2.1 "Potential Pollutants Associated with Industrial Activity". These areas are referenced on page 15,

Section 2.3 “Unauthorized Non-stormwater Discharges Documentation” in the table that identifies “authorized non-stormwater discharges, source locations, and associated outfalls for the mine”. Lastly, page 21, under “Stormwater Control and BMP Maintenance” (b) the maintenance commitment to the stormwater controls are specified. Based on CMI inventory, there are a total of 9 rock piles all have been named and identified on the map.

Unit 5 has no rock pile disturbance, therefore there are none to identify.



Disturbed areas and access roads that appear associated with mine industrial activity exist outside the mine property boundaries.
Response:
CMI, as the operator, maintains the access roads to allow access to monitoring wells identified under DP-1539 and the draft Performance Monitoring Plan under CERCLA. Both the roads and disturbed areas identified in the comment were included in the 2015 SWPPP.

Clarification on the regulatory status and control measures appears needed for the historic landfill and unnamed rock piles in Unit 5 and 4 in the SWPPP and site map.
Response:
No rock piles exist in Unit 5 and the rock piles in Unit 4 have been identified and are addressed in SWPPP and maps. As previously stated, SWPPP also identifies historic landfill and related stormwater controls.

Also, installation and maintenance at groundwater monitoring or extraction wells may also be source of pollutants. Controls for well activities are not documented in the SWPPP, site maps, and inspection reports.
Response:
Installation of groundwater monitoring and extraction wells at the site is being done pursuant to CERCLA. Management of stormwater is covered under the CERCLA workplan associated with each individual project. An inventory of all groundwater and extraction well systems are maintained in the CMI GIS System geodatabase. Water from extraction wells on site is contained in closed pipes and routed to the water treatment plant for treatment. The pipelines are inspected and/or have leak detection mitigations in place. CMI would not envision a scenario where water from ground water monitoring wells will come in contact with stormwater.

The reviewed SWPPP refers to Solar Power Generation; however, SIC 4911, is not listed in Appendix D - Facilities and Activities Covered of the 2015 MSGP.

Response:
The Solar Power Generation – SIC 4911 is identified in the SWPPP in Section 1: "Facility Description and Contact Information" – "Co-located Industrial Activity(s) SIC code(s), Sector(s) and Subsector(s) (2015 MSGP, Appendix D): 4911 – Solar Electric Power Generation", page 3.

An additional item CMI would like to address that was included in the checklist and the photograph log is related to the fuel tank at the tailing facility and proper secondary containment (photograph #7). Specifically, the caption to the photo stated: **Lined containment at fuel storage tank does not appear sufficient to contain large spills or overflows based on tank size. NMED Petroleum Storage Tank Bureau can be contacted to confirm registration and other requirements for above ground storage tanks (see https://www.env.nm.gov/petroleum_storage_tank/).**

Response:
The tank identified in the photograph is a 3000-gallon fuel tank. CMI is planning on removing the tank, however, the secondary containment is of adequate size. The current lined berm capacity would contain 5,048 gallons which exceeds the requirement under NMED (minimum 3300 gallons).

If you have any questions or would like to discuss any items further, please contact me at 575- 586-7507.

Sincerely,

for Michael Coats

cc:
Carol Peters-Wagnon, USEPA (6EN-WM) by e-mail
Nancy Williams, USEPA (6EN-WC) by e-mail
Darlene Whittten-Hill, USEPA (6EN) by e-mail
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